



MOBA NETWORK

Investor presentation

May 2021

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Introduction to M.O.B.A. Network

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Strategic outlook

3

Acquisition of Magic Find

4

Risk factors

M.O.B.A. – Leading gaming communities

- M.O.B.A. owns and operates some of the world's largest gaming communities
- We offer communities to core gamers, to craft gaming strategies and sharing ideas with other passionate players
- All our communities are operated on our own platform

12

Communities

>400m

site visits 2020

47%

Sales CAGR '17-20



Business idea, vision and mission

Business idea



Being the home of some of the world's most popular and high quality esports/gaming communities

Vision



Be the world's best and largest esports/gaming community

Mission



Offer platforms and tools to enable gamers to share strategies, bringing gamers closer around the globe

M.O.B.A. timeline



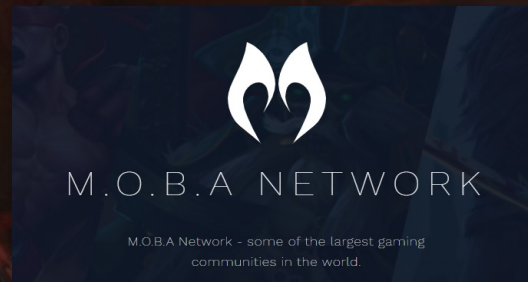
The gaming market

Games / Game Development



Prominent companies within this field are Riot, Valve & Epic Games.

Gaming Services



Prominent companies within this field are M.O.B.A. Network, thestorymob.com, Dojomadness.com, op.gg, Enthusiastic Games and G:Loot.

Broadcasting/ Streaming



Prominent companies within this field are MTG, Twitch, Youtube. 1000's of streamers have become strong influencers

Esports



Teams and leagues like The International (DOTA) and LCS (League of Legends).



Acquisition of Magicfind

Focus on large and established games

LEAGUE OF LEGENDS



Multiplayer online battle arena video game developed and published by Riot Games. Inspired by Defense of the Ancients, a custom map for Warcraft III

DOTA 2



A multiplayer online battle arena (MOBA) video game developed and published by Valve. The game is a sequel to Defense of the Ancients (DotA), which was a community-created mod for Blizzard Entertainment's Warcraft III: Reign of Chaos

OVERWATCH



Team-based multiplayer first-person shooter developed and published by Blizzard Entertainment. Described as a "hero shooter", Overwatch assigns players into two teams of six, with each player selecting from a large roster of characters

LEGENDS OF RUNETERRA

Free-to-play digital collectible card game developed and published by Riot Games. It released on April 29, 2020

LEAGUE OF LEGENDS WILD RIFT

Multiplayer online battle arena mobile game developed and published by Riot Games for Android and iOS. The game is a modified version of the PC game League of Legends

Some of the world's largest communities for gamers

- M.O.B.A. owns and operates several of the world's largest gaming communities
- We offer communities to core gamers, to craft gaming strategies and sharing ideas with other passionate players
- All our communities are operated on our own proprietary platform



M.O.B.A. in the value chain



User generated content

MOBAFIRE CREATE GUIDE BUILDS & GUIDES CHAMPIONS TFT TIER LISTS COMMUNITY

MOST DISCUSSED LEAGUE OF LEGENDS GUIDES

You can't deny the truth in people's actions. Every day people speak out, act, react, interact. There has to be some reason why people like talking on these guides with these authors. We figure, the reason is probably worthy of pointing out to everyone. If you find yourself here it's not because you are "the best" or "top 10", but because people like talking with you.

#1 Vapora Dark In-Depth Mid Talon Guide Season 10
By **Vapora Dark** updated June 12, 2020
VOTES: **896**
VIEWS: 8,516,073

2	Ashes to Ashes Guide by jhojhoi updated December 21, 2019 9.24 VOTES: 5,444 VIEWS: 37,108,867
3	The Nocturnomicon Guide by PsiGuard updated June 12, 2020 10.12 VOTES: 4,131 VIEWS: 22,567,670
4	Support Soraka - Outhealing Your Enemies DPS Season 10 Guide by SwelteringMuffin updated June 15, 2020 10.12 VOTES: 3,464 VIEWS: 12,525,774
5	[10.12] Wanted Dead or Alive - MF ADC Guide by jovy updated June 10, 2020 10.12 VOTES: 7,009 VIEWS: 23,814,532

MOBAFIRE'S TOP GUIDES LIST

- FEATURED GUIDES**
Scouted weekly for quality and content
- TRENDING**
Highest rated guides in the last 30 days
- TOP RATED**
THE top rated guides of All Time
- MOST DISCUSSED**
Guides with tons of comments
- CHAMPION GUIDES**
Top rated Champ Guides

LIVE-STREAMAD WHISKEYPROVNING

Tema: **Filosofin bakom Westland Distillery**
16/6 19.00
Läs mer
Presenteras av **WESTLAND**

TRENDING BUILD GUIDES

[10.12] IKeptTaco's Grand... +106

- 100% user generated Game strategy guides
- Created by thousands of creators
- Consumed by million of gamers and fans
- Quality content to a low cost produced by passionate gamers and fans
- Community managers that are gamers keep the communities alive

Our core audience

18-38

years old

75/25

Male/Female

USD 115k

Average HHI

40m

Monthly sessions

16-20H

Avg. weekly gaming

**Community
oriented
Seeks new
experiences**

Lifestyle focused

600m

Monthly ad impressions

2m

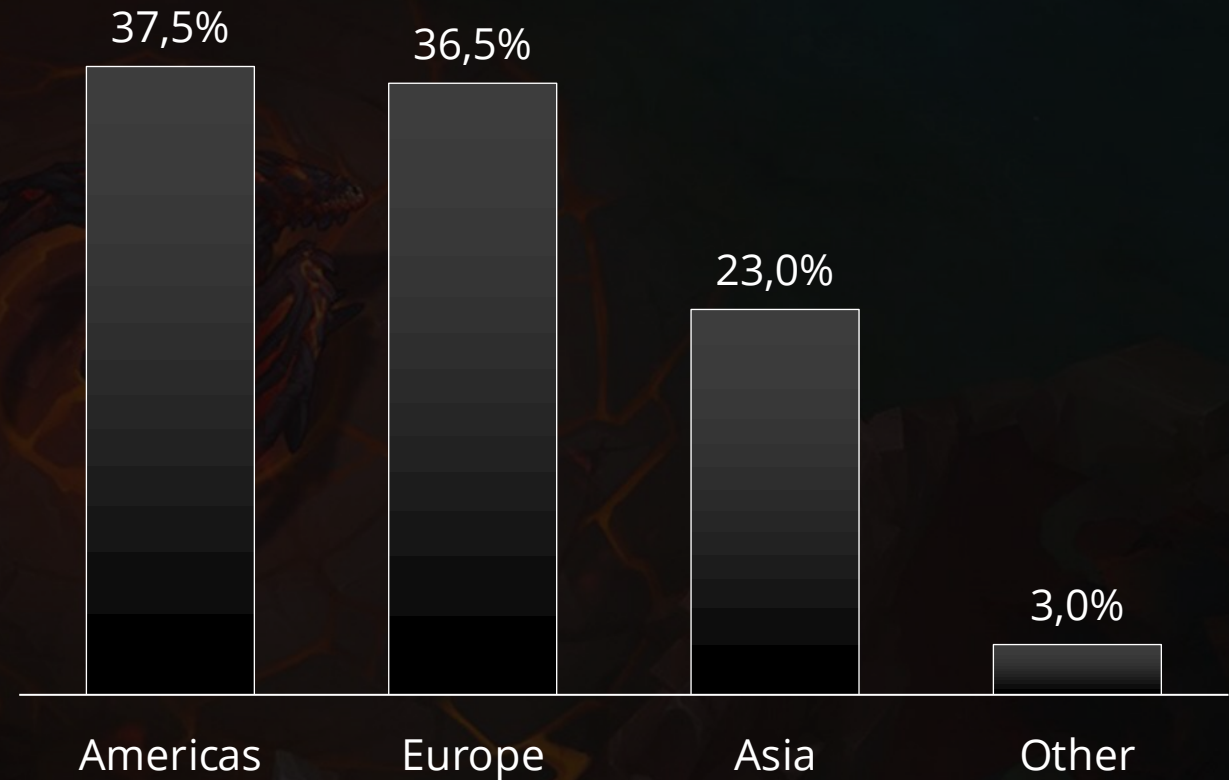
Registered
members

Hard to reach through traditional advertising
Big spenders in several categories
Exceptional global presence

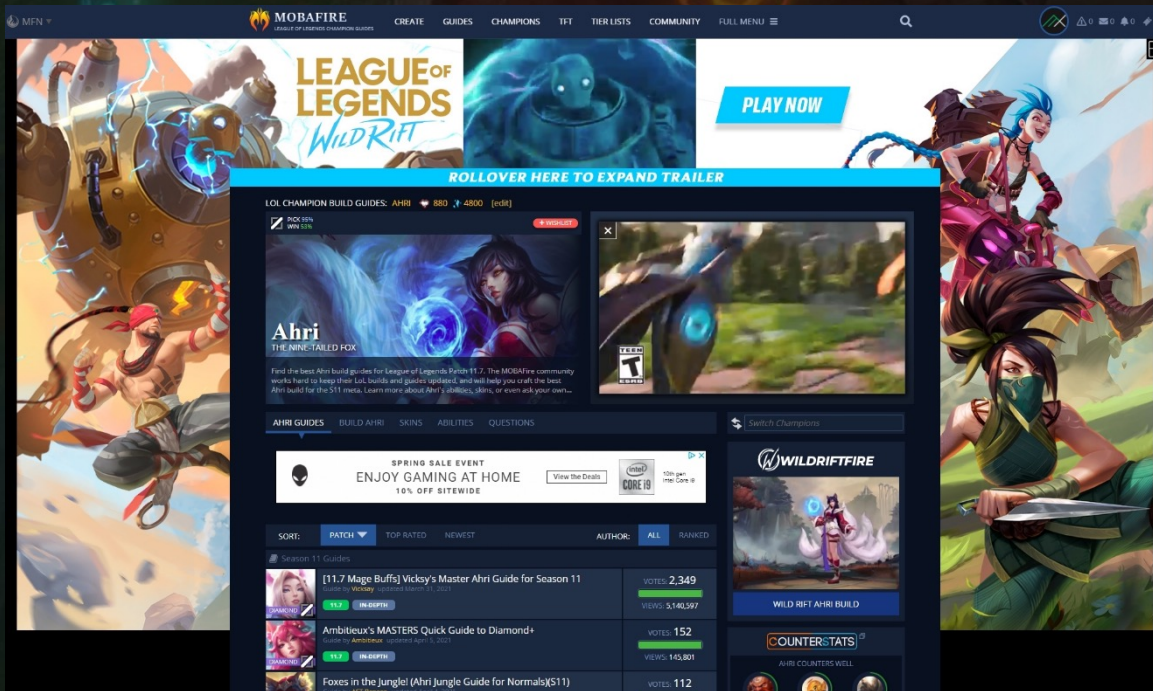
Willing to engage with brands
Highly brand loyal
Will pay more for quality

Well diversified audience base

Geographical split of total audience 2020



Revenue generation from multiple sources



Homepage takeover

Video ads

Banners

Affiliates

Sponsorships

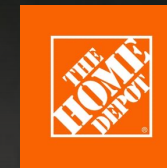
Subscription

Both gaming and non-gaming brand partners

Both through brokers and direct sales

Gaming

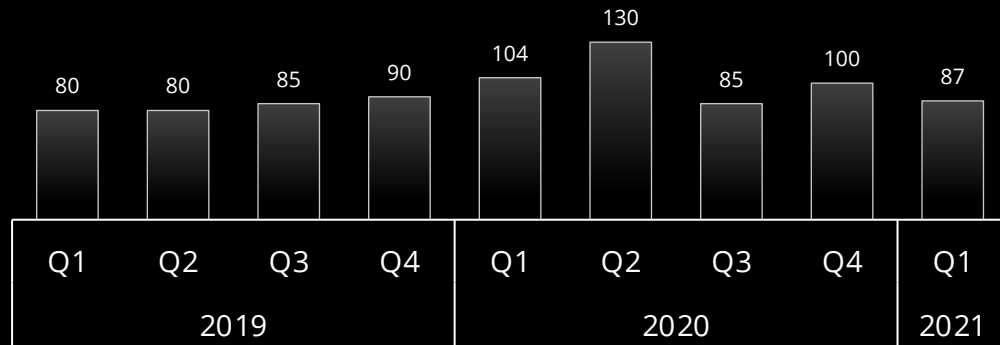
Non-gaming



Partners within both gaming and non-gaming industries shows on strong offering

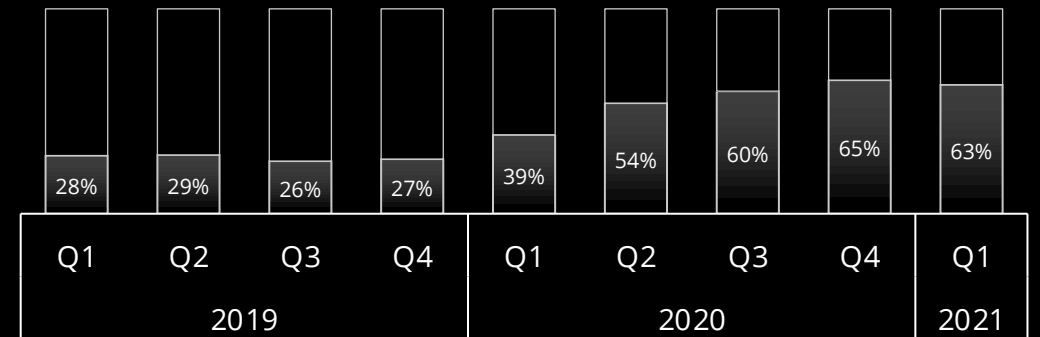
KPI development

Traffic development (million visitors)



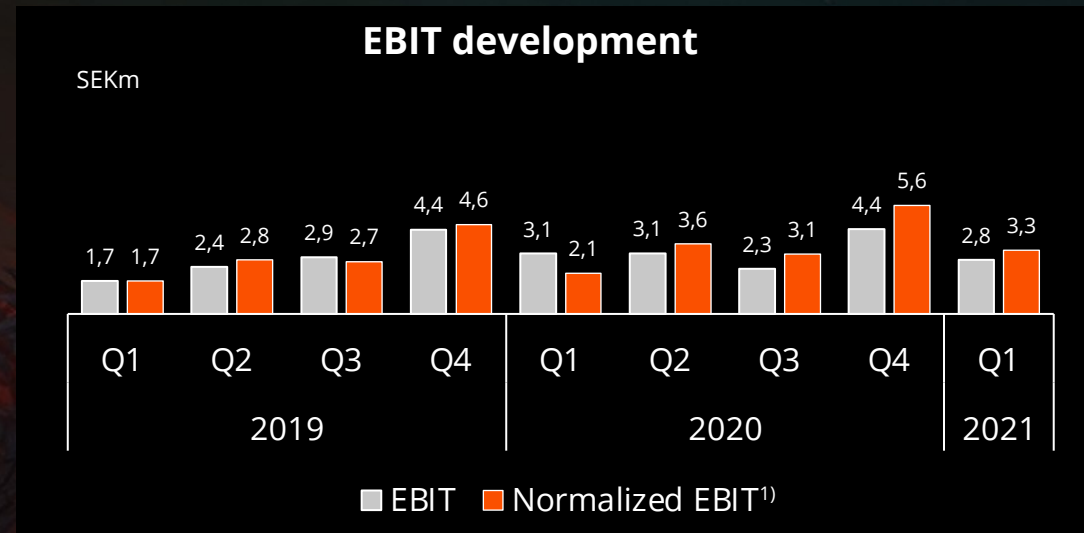
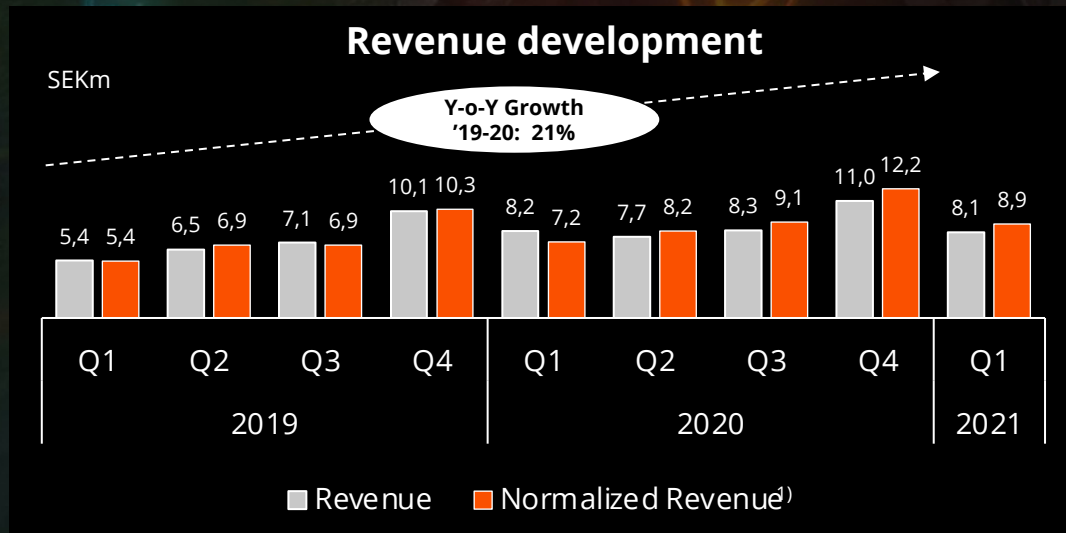
- Stable and increasing traffic trend during the last 24 months
- Covid-19 effect in Q1 and Q2 2020 led to traffic spikes in the quarters
- Decline in traffic in Q3 partly due to seasonality effects with less activity within certain games
- Increased traffic partly correlates with revenues. However, an efficient monetisation strategy is core in order to convert the traffic into revenues

Direct sales share of revenue



- M.O.B.A. has during the last 24 months implemented a strategic shift from programmatic sales to direct sales, resulting in higher margins and profitability
- Magic Find is currently only generating ~1% of revenues from direct sales, indicating a large upside potential by implementing the same strategic shift in the target

Revenue and EBIT development



- Strong revenue growth over the last years (>50% CAGR during the last 4 years) with a Y-o-Y growth of 21% between 2019 and 2020
- Revenue increase on the back of strong monetisation focus during the last 24 months with optimization of advertising formats and KPIs for advertisers, increased collaboration with ad brokers and increased share of direct sales

- The increased focus on monetisation has resulted in increased profitability levels and improved margins
- Shift towards direct sales from programmatic sales has resulted in further margin improvements

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Risk factors

Strategic pillars

Organic growth of audience through improved offerings

Organic

Drive performance in existing assets



Acquisitions

Drive growth via strategic investments

Strategic M&A focused on adding brands within additional games

Group wide synergies

All brands under the same roof open for both cost and revenue group wide synergies

Organic initiatives 2021

1

Reinvest to realize synergies

- In 2021 we will reinvest in resources and development to support continued growth and realize the synergies we have at hand

2

Developing new formats

- Focus on developing new formats that are attractive to both our community and strategic partners. Video and streaming formats are highly interesting to us as well as improve our mobile offering

3

Optimization of sales process

- Continued optimization of our sales processes with the aim of getting maximum return on our ad-inventory and global audience. We are not even close to reaching our potential

4

Strengthen market positions

- Maintain and develop our position as a world leading gaming platform, invest in new products and attract great new people. A good long-term relationship with partners and members is our core!

Acquisitive strategy

What M.O.B.A. is looking for

1 Attractive communities in attractive game genres

2 Large and loyal user bases

3 Under utilized monetisation techniques

What M.O.B.A. is offering

1 Attractive return profile for selling companies

2 Expertise within monetisation strategies

3 Improved traffic and SEO, cross-selling audiences



Case study: MMORPG, a great addition to M.O.B.A.



MMORPG
www.MMORPG.com

- Established in 2002, one of the oldest gaming brands
- Creator of super high-quality content ranging from news, reviews and community engagement
- Great team with skills we can use for our entire network of brands
- Good business model with great margins
- Big upside in growing the audience and revenues by investing in more resources
- 1 FTE, 5 part-time contractors and 15 freelancers contracted by project when needed

One of the largest review archives in Gaming

The screenshot shows the MMORPG.com website interface. At the top, there is a navigation bar with links for GAMES, REVIEWS, ARTICLES, HARDWARE, VIDEOS, and COMMUNITY, along with Login and Register buttons. A prominent red button labeled "PLAY NOW" is also visible. Below the navigation bar is a banner for "BLACK DESERT ONLINE REMASTERED" with the text "The Adventure NEVER STOPS" and "Apply for Game Account Transfer". The main content area features a section titled "MMORPG.com Live Streamers" with a sub-header "MMOFTW Twitch.tv Team Page for all of MMORPG.com's Streamers." Below this is a live stream player showing a game scene with a character on a horse in a snowy environment. The streamer's name "Bast_50 - Conan Exiles" is displayed at the bottom left. To the right of the stream is a promotional banner for "BLACK DESERT ONLINE REMASTERED" with the text "The Adventure Never Stops" and "Apply for Game Account Transfer". Below the stream and banner is a section titled "PLAY GAMES NOW!" with a list of games: Guild Wars 2, Phantasy Star Online 2, and Final Fantasy XIV.

- Covering over 1,500 MMO-games, one of the largest review archives in gaming
- Current most popular games include Valheim, WoW and Elder Scrolls
- Utilizing YouTube and Twitch with regular news recaps and live streaming of popular games. This will be a big focus going forward to attract a new audience

M.O.B.A. & MMORPG synergies



- Content creation talent – editorial and video. Passionate gamers!
- Unique way of selling ad inventory, very high CPM's
- Highly active social media presence, daily streaming on video networks

- Direct sales & business development
- Community management
- Traffic provider/cross selling
- Product dev/engineering
- Ability to invest in growth



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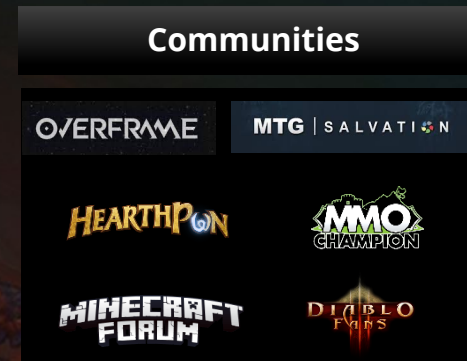
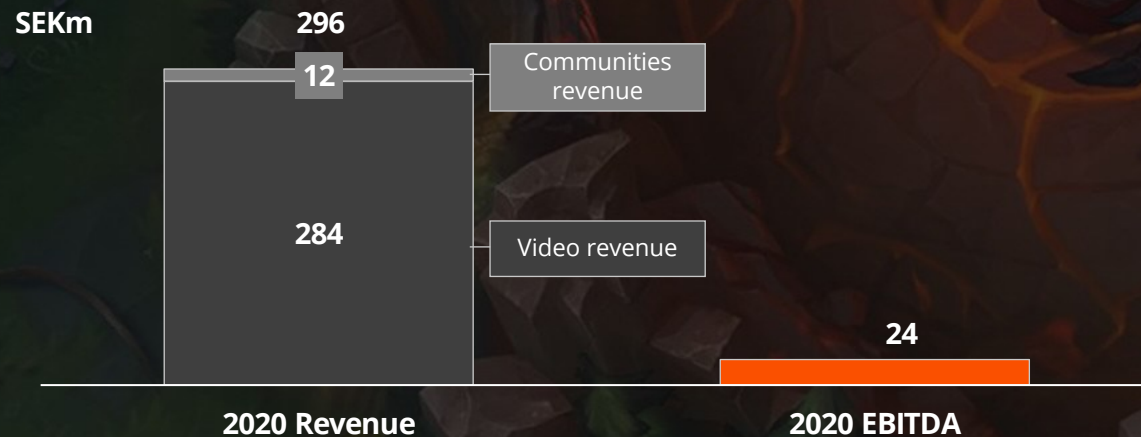
Magic Find in brief

Community Websites:

- Magic Find runs several well-known community gaming websites. This business segment is a carbon copy of M.O.B.A.'s existing business. Revenues are generated from banner/video advertising impressions

MCN Network – Union for Gamers:

- Magic Find runs the multi channel network (“MCN”) Union for Gamers, which is a third-party service provider that affiliate with multiple YouTube channels to offer services that may include audience development, content programming, creator collaborations, digital rights management, monetisation, and/or sales
- Magic Find is headquartered in Las Vegas, U.S with a total of 10 employees



17m
Avg. visits/month 2020

20bn
Views 2020

200m
Total visits 2020

Minecraft, Roblox, GTA, Fortnite, The Sims
Content genres

1%
Direct sales revenue

1,050
Content creators

Magic Find's main community brands

1



The leading destination for World of Warcraft News, Guides, and Community for over 12 years! Millions of players rely on MMO-Champion to keep up-to-date on all things WoW

2



The central web resource for Hearthstone News, Decks, Community, and more! Custom deck building tools, the latest news & info, and the Innkeeper app, make HearthPwn the premiere Hearthstone hub

3



The original Official Forum for Minecraft! Millions of players come to the forums each month to interact with the community, share creations, see the latest news, and so much more!

4



Providing a custom Warframe Build Simulator, full Item Database, and top Builds + Guides - Overframe helps players keep up to date, share their favorite builds, and learn from the best!

4



MTG: Salvation has been a leading source of Magic: The Gathering Spoilers, News, and Community for 15 years! Bringing the latest reveals, card database, deckbuilder, and more.

5

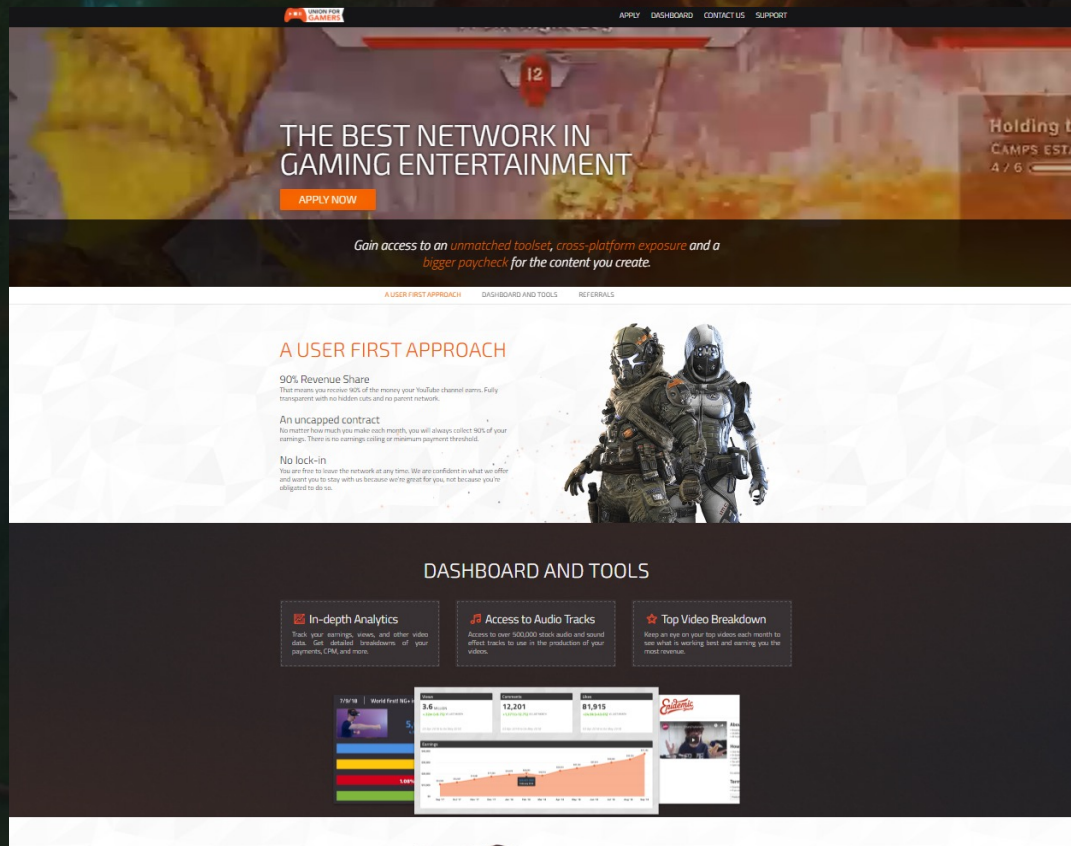


DiabloFans is the central Diablo destination for the latest News, Build Tools, Guides, and Community; everything fans need to stay on top of their game!



Relative size order (1 being the largest)

Magic Find's video network – Union for Gamers



- Union for Gamers is a YouTube MCN with over 1,000 content creator members who served over 20 billion views in 2020
- Union for Gamers helps the content creators managing their channels, increasing views and subscribers and managing their relationships with YouTube in regards to compliance and copyright. UFG monetizes the creators' channels through Google/YouTube's AdSense program and pays out a revenue share to each content creator. In 2020 the network generated \$30,8 M in revenues (after Google's cut of 45%) of which approx. 90% was paid out to the content creators
- The content creator pool consists of a variety of sizes ranging from channels generating billions of views and 10 million subscribers to smaller niche creators with a couple of million views
- UFG was started in 2012 by Twitch/Amazon before being acquitted by Magic Find in 2020, the majority of the content creators have been members since 2016/2017

Investment highlights and rationale

1

Entering the streaming vertical through Magic Find's YouTube Network

- Over 1,000 content creators generating over 20 billion views and \$30 million in revenue/year
- Access to content creators' communities adding the ability to target sales to different demographics
- Expanding M.O.B.A.'s reach into new games audiences such as Minecraft & Fortnite

2

Adding and broadening the community site network

- Adding 5 new high quality community brands and expanding into new games such as World of Warcraft and Hearthstone
- M.O.B.A. can utilize its proven track record of generating traffic and sales to the new brands, strong synergies with M.O.B.A.'s existing brands
- Increased volumes will enable M.O.B.A. to negotiate broker agreement

3

Highly skilled new competence joining M.O.B.A.

- Team of 10 employees with a background at Twitch/Amazon adding to M.O.B.A.'s pool of talent

4

Attractive financials

- Adding almost 10x revenue and 2x EBITDA to the company group
- Attractive acquisition multiple of around 4.6x EBITDA 2020

M.O.B.A. & Magic Find synergies



- Brings in new games and audiences, both M.O.B.A. and MF can leverage each other's networks and audiences to increase traffic, views and sales
- Less than 5% of MF's ad inventory are direct sales, huge opportunity to leverage M.O.B.A.'s approach to direct sales
- Experienced team that can benefit the entire group

- Big opportunity to recruit content creators to UFG from the MOBA-genre
- Direct sales & business development
- Community management
- Traffic provider/cross selling Product dev/engineering
- Ability to invest in growth



Transaction summary

- M.O.B.A. intends to acquire 100% of the U.S based gaming community company Magicfind.us. The purchase price (on a cash and debt free basis) amounts to USD 12m payable in cash. USD 9m will be paid up-front and the remaining USD 3m is deferred six months (held on escrow account)
- Sales generated from communities comprising advertising sales. Video sales generated by content creators. COGS related to video sales constitutes rev-share to content creators
- The purchase consideration corresponds to an EV/Sales '20 multiple of 0.4x and an EV/EBITDA '20 multiple of 4.6x
- The acquisition will be partly financed with the proceeds from the contemplated directed issue and partly from financing from Nordea

USD '000	FY20
Video revenue	30,834
Communities revenue	1,259
Total Income	32,093
Video COGS	-28,109
Communities COGS	-245
Total COGS	-28,355
Video gross profit	2,725
<i>Video gross margin, %</i>	<i>8.8%</i>
Communities Gross profit	1,014
<i>Communities gross margin, %</i>	<i>80.5%</i>
Group gross profit	3,739
<i>Gross margin, %</i>	<i>11.6%</i>
Total operating expenses	-1,144
EBITDA	2,595
<i>EBITDA margin, %</i>	<i>8.1%</i>

Highly attractive new profile

Pro forma	FY20 ¹⁾	FY20	FY20 pro forma
SEK '000	M.O.B.A.	Magic	M.O.B.A. + Magic
Total Income	35,216	295,633	330,849
Video revenue		284,033	284,033
Communities revenue	35,216	11,600	46,816
COGS	-	-261,194	-261,194
Video COGS	-	-258,934	-258,934
Communities COGS	-	-2,260	-2,260
Gross profit	35,216	34,439	69,655
Video GP	-	25,099	25,099
Communities GP	35,216	9,340	44,556
Total operating expenses	-20,576	-10,538	-31,113
EBITDA	14,640	23,902	38,542
<i>EBITDA margin</i>	<i>42%</i>	<i>8%</i>	<i>12%</i>
Cash and equivalents	16,555	32,251	48,806
Other assets	108,727	1,014	109,741
Total assets	125,282	33,265	158,547
Equity	103,874	9,843	113,717
Bank debt	8,333	0	8,333
Other liabilities	13,075	23,422	36,496
Total liabilities	21,408	23,422	44,830

Attractive combined KPIs

600m

Website visits 2020

20bn

Combined global gaming audience (views)

50+

game titles with community and video content

Strong synergies in audience development and sales

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Risk factors

Risk factors

Risk factors deemed to be of importance for the Company and the Group as well as the Group's business and future development and risks relating to an investment in the Company's shares are described below. The purpose of this section is to enable a potential investor to assess the relevant risks related to their potential investment in the Company's shares in order to make an informed investment decision. The risk factors set forth below are therefore limited to risks that are material and specific for the Group's business.

Development, maintenance and operation of IT systems

The Company's and the Group's success depends on reliability, functionality, maintenance, operation and continued development of the Company's and the Group's integrated technology platforms, including the Company's and the Group's websites, mobile systems, customer management, finance and accounting, marketing, purchasing, and its business platform.

The quality and the Company's and the Group's use of the information generated from IT systems and the Company's and the Group's ability to implement new systems and upgrades affect among others its ability to:

- operate the business efficiently in relation to its customers; and
- maintain a cost-effective business model while the business is growing.

If the Company and/or the Group is not managed efficiently, or if the Company and/or the Group fails to implement new systems and upgrades, it may have a negative impact on the growth of the Company and/or the Group, which may have a material adverse effect on the Company's and the Group's operations, financial position and results.

Cyber attacks

IT systems are vulnerable to external interference. It is becoming more common that companies are exposed to cyber attacks, some of which are sophisticated targeted attacks on corporate computer networks. Since the technicians working to obtain unauthorized access, deactivate or destroy services and sabotage systems constantly develop and change their approaches, they are often not discovered before carrying out their attack. There is thus a risk that the Company and/or the Group will not be able to anticipate the attacks or implement effective measures in a timely manner, which may involve additional risks when the code is open to the public, which makes it easier for hackers and other outsiders to decide how to infringe on the Company's or the Group's systems and websites. If unauthorized parties succeed in gaining access to the integrated technology platform there is a risk that they will come across information or damage the Company's and/or the Group's systems and operations. If any of the risks above were to be realized, it could damage the Company's and/or the Group's reputation and cause the Company to become liable for damages, and thus result in increased costs and/or losses in revenue. If any of the above events would occur it could lead to a significant negative impact on the Company's and/or the Group's operations, financial position and results.

Reputation

The Company, like other companies, is dependent on its reputation in the market, which is important both in relation to acquisitions of new customers as retention of existing customers and consumers. Bad reputation can be caused by complaints from customers, consumers, negative publicity associated with The Company as well losses of attractive brands. The Company's and/or the Group's reputation is also important in relation to that suppliers and other business partners as it depends on good relations with these. Dissatisfaction among suppliers and business partners can lead to lost agreements or that the Company does not succeed in establishing new ones with new suppliers. If any of these risks were to be realized, it could have a material adverse effect on the Company's and/or the Group's operations, financial position and results.

Partners

The Company is dependent on partners and has established collaborations and business relationships with recognized players in the market. If any of these partners were to be placed in a position that complicates or delays the partner's commitments in the context of cooperation or business relationship, there is a risk that the Company's and/or the Group's business is affected in a negative way.

Dependency on material supplier agreements

The Group is dependent on broker agreements (which sell portions of the Group's advertising) for its communities. Further, the target company in the contemplated acquisition to be carried out in connection to the Directed Issue – Magic Find – is dependent on a Content License Agreement with Google, which agreement can be terminated in a relatively short time (1–3 months). In the event that Magic Find is acquired, the Group will come to be dependent on the Content License Agreement with Google. Further, the Company and the Group are dependent on other material supplier agreements relating to e.g. IT operations, data storage, etc. Should any of the Group's material supplier agreements be terminated, and should the Group not be able to find replacement suppliers at sufficiently short notice or on terms acceptable to the Company, it could result in a negative impact on the Company's operations, financial position, and results

Risk factors

Dependence on key employees

The Company's and the Group's key employees hold great competence and long experience in the Company's and the Group's business area. There is a risk that the Company and/or the Group will not be able to recruit staff with the skills or level of knowledge required to be able to perform the tasks required. Furthermore, there is a risk of leading executives or other key personnel leaving their employment with the Company or the Group. It is therefore of great importance that the Company and the Group manages to attract and retain key personnel as well to ensure that the key employees perceive the Company and the Group as a stimulating employer. Loss of key employees or the inability to recruit qualified personnel can lead to a slow-down in business development and that business development becomes more costly, which can lead to a significant negative impact on the Company's and/or the Group's operations, financial position and results.

Lack of visibility through search engines

A significant number of visitors of the Company's and the Group's websites, find the websites through the use of search engines. There is thus a risk that deficiencies in functionality, changes to current policies or other factors may cause that traffic to the Company's and the Group's websites is reduced temporarily or permanently, whereby the Company's and the Group's revenues from ad sales can be negatively impacted.

Changes in the computer gaming business

The Company and the Group provides several communities on the internet, each one focused on a specific computer game, where players can meet to discuss and share knowledge. Thus, the Company is depending on the interest these games enjoy and its ability to continue to be popular. It cannot be ruled out that a changed consumer behaviour in E-sports, computer games or related industries, which could lead to a decrease in interest in such areas. There is thus a risk that changed consumer behaviour could lead to fewer visitors at the Company's and the Group's websites, which in turn would reduce advertising revenue for the Company. Further, the Company and the Group is dependent on that certain information from games can be used by communities. Changes in consumer behaviour and/or limitations in the possibility to use certain information from games could lead to a significant negative impact on the Company's operations, financial position and results.

Competitors

Some of the Company's and the Group's competitors are companies with large financial resources. Extensive investments and product development from a competitor may involve risks in the form of impaired sales. Furthermore, companies with global operations who are currently working with related areas may decide to establish itself within the Company's and the Group's business area. A market position weakened for the Company and / or increased competition could have a material adverse effect on the Company's operations, financial position and results.

Young and evolving industry

The Group and its business model are partly the result of increased internet use. The industry for E-sports/Gaming, which the Group operates in, is relatively newly established and thus, like other newly established industries, is subject to greater uncertainties and risks compared to companies that are operating in more established industries. Since the industry is relatively new and constantly evolving, the availability of historic data is limited. Furthermore, there are few other businesses, in particular established ones, to compare with. All in all, this makes it difficult to establish long-term forecasts or analyses of how the industry will be affected by unforeseen events, crises, changes in macroeconomic conditions, changes in legislation, new technology or marketing methods and increased competition from new players.

Growth

To achieve revenue and growth targets, the Company and the Group must successfully manage business opportunities, revenue and quality in products and services as required to meet customer demand where the Company operates. The Company can explore new, diversified revenue-generating strategies and the increased business complexity of the business may entail additional requirements related to the Company's and the Group's systems, controls, procedures and management, which may in turn influence the Company's and the Group's ability to successfully manage future growth. Future growth will also mean more responsibility for management, including the need to identify, recruit, train and integrate additional employees. The Company may fail to successfully manage such development and growth in the future. Inability to effectively manage growth, or failure to adapt to changes and increased demands that result from expansion, may result in negative impact on the Company's growth, which may have a significant negative impact on the Company's and the Group's operations, financial position and results.

Negative associations

Some of the Company's and the Group's game titles may due to cultural reasons be perceived as undesirable or offensive in certain markets. If so, some advertisers and partners may refrain from participation, which could lead to reduced revenues to the Company.

Risk factors

Cyclical sensitivity

The Group is dependent on the economy of the markets in which the Group operates. The Group also depends on the general economic situation of the countries in which it operates, which in turn is affected by, for example, policy decisions, interest rates, unemployment, inflation, taxes, COVID-19, and other factors. If the Group fails to counteract cyclical movements by creating stability in revenues and reducing its costs, this can have a negative impact on the Group's operations, financial position, and earnings.

Intellectual Property Rights

The Group holds several trademarks, domain names, and intellectual property rights and may acquire as well as develop its own and common intellectual property rights in the future. There is a risk that the Company will not be able to maintain registered domain names and granted trademarks and other intellectual property rights, or that future registration applications will not be granted. Failure to protect and maintain its intellectual property rights may adversely affect the Group's operations, financial position, and results.

Financing and capital

The Company's and/or the Group's expansion and market investments involve increased costs for the Company. A delay in market breakthroughs in new markets can mean deterioration in earnings. It can be not excluded that the Company may need to raise additional capital in the future. Nor can the company guarantee that any additional capital can be raised. In the event that the Company fails to procure necessary capital or fails to raise capital on reasonable terms, this may have a negative impact on the Company results and financial position.

Currency risks

The Groups' future revenues may be affected by changes in exchange rates. The business sales revenues are currently mainly in USD and CAD. Since the exchange rate for foreign currencies fluctuates in relation to the Swedish krona, there is a risk that future changes in exchange rates may result in a significant negative impact on the Company's and the Group's operations, financial position and results.

Interest rate risk

There is a risk that interest rate changes have a negative earnings effect on M.O.B.A. Networks cash flow or the fair value of the Company's assets and liabilities. The company is also exposed to changes in interest rates through its variable rate financing agreements. Consequently, the company is sensitive to interest rate changes. Interest rates are affected by a number of factors that are beyond the Company's control, including the interest rate policy of governments and central banks in the geographic markets in which the Group operates. An increase in interest rates would mean that the Company's interest commitments would increase, which could have a negative impact on the Company's operations, financial position, and earnings.

Tax

The Group conducts its primary operational activities in its Canadian subsidiary. Further, if the contemplated acquisition of Magic Find is completed, a large part of the Group's operational activities will be carried out through a US subsidiary. The business is conducted in accordance with the Company's and the Group's interpretation of applicable tax laws and regulations and in Sweden and abroad and international tax agreements and treaties. If it turns out that the Company and/or the Group has incorrectly interpreted applicable laws and regulations and international tax agreements and treaties, or relevant tax authorities make a different interpretation than the Company, it could change the Company's and the Group's current and past tax situation, which risks having a negative impact on the Company's and the Group's earnings and financial position.

Risk factors

Future acquisitions

To fully achieve the expected financial and strategic synergies of any future acquisitions, the Company and the Group must rationalize and coordinate all activities that an acquired business conducts. This process involves complex technical, operational and staff-related challenges that are time consuming and costly and which may negatively impact the Company's and the Group's operations. The difficulties, costs and delays which may occur include:

- difficulties, costs or complications of reconciling companies' operations, which may lead to the Company not achieving the expected synergies;
- lack of ability to use assets effectively to develop the operations of the acquired company;
- different standards, controls, routines, policies, business cultures and compensation structures;
- management's focus is diverted from the operational activities and other strategic opportunities;
- lack of coordination between geographically separated organizations;
- potential tax costs or inefficiencies in tax event in connection with the integration of the companies;
- restructuring costs and investments.

For the above reasons, the Company may find it difficult to fully achieve the financial and strategic synergies that future acquisitions are expected to entail. In addition, actual cost savings and synergies can be lower than what the Company has calculated and take longer to achieve than the Company expects. It may be so that the Company and the Group will not achieve the expected benefits from such investments or acquisitions, and that these transactions will become unprofitable and burden the Company's and the Group's other operations. Should any of these risks occur, it could have significant negative effect on the Company's and the Group's operations, financial position and results.

Goodwill

The Company's intangible fixed assets are partly goodwill. Goodwill arises when operations are acquired at a price above book value. If operations underperform in relation to the assumptions made at the time of the initial valuation, a goodwill risk arises. Should the Company's valuation of the acquired business prove incorrect, the Company will need to write down the goodwill value, which may have a negative impact on the Company's financial position and earnings. Goodwill is impairment tested annually, or more often if there are indications that there may be a need. If future tests show a decline in the value of goodwill and therefore lead to write-downs, this may have a negative impact on the Company's earnings and financial position.

Processing of personal data

The Company and the Group registers, manages, stores, and uses a large amount of personal data within the framework of its operations. The processing of personal data is subject to complex and extensive regulation within the EU and other jurisdictions. The Company and the Group are also responsible for the processing of personal data carried out on behalf of the Company/the Group by suppliers and partners, and for ensuring that personal data is not disclosed or transferred outside the EU in violation of applicable rules and regulations. Among the personal data processed, the processing of certain data such as payment and account information, and similar data relating to the financial circumstances of individuals, is governed by specific requirements related to, among other things, security and encryption.

There is a risk that the Company and/or the Group does not currently, and/or will not in the future, meet all applicable requirements imposed related to the processing of personal data, that there will be deficiencies in the Company's and/or the Group's obligations towards the persons to whom the personal data relates, or that the Company and/or the Group otherwise fails to comply with the requirements laid down by applicable personal data legislation. Breaches of applicable rules and regulations related to the processing of personal data may result in high fines or other sanctions from authorities, and/or damage the Company's reputation. There is also a risk that the measures taken by the Company to comply with the current and possible future legislative changes will be costly and/or interfere with the day-to-day operations. Should any of the abovementioned risks materialize, it may have a negative impact on the Company's operations, results, and financial position.

First North Growth Market

Companies which shares are traded on Nasdaq First North Growth Market, which is a multilateral trading facility, are not covered by all rules and regulations that apply to companies listed on a regulated market.

Risk factors

Lack in share liquidity

The turnover in shares traded on Nasdaq First North Growth Market is generally lower than in shares traded on a regulated market. The turnover in the Company's share may vary and the spread between buying and selling prices may from time to time be extensive. The liquidity in the Company's share may be affected by a number of different internal and external factors. Internal factors may include e.g. acquisitions of new companies and quarterly variations. External factors may include e.g. general economic conditions, industry factors, economic situation and additional factors that are not related to the Company's business development. The price at which the shares are traded will be affected by a large number of factors, some of which are specific for the Company and its operations while others are generally applicable for listed companies.

Significant sales by major shareholders and new issuances

Significant sales of shares carried out by major shareholders, board members or persons with senior management positions in the Company, or a perception in the market that such sales may occur, as well as a general market expectation that additional new issues of shares will be carried out, may affect the price of the Company's shares negatively. In addition, any new issues of shares will lead to a dilution of ownership for shareholders who for some reason are unable to participate in such new share issue or who chooses not to exercise their right to subscribe for shares. The same applies if issues are directed to others than to current shareholders.

Influence by major shareholders

Current major shareholders will continue to have the opportunity to greatly influence the outcome of questions submitted to the Company's shareholders for approval, including the election of board members and a possible increase in the share capital and as well as mergers or sales of all or significant parts of the Company's assets. As far as the Company is aware, there are no agreements between the largest shareholders. Regardless thereof, the interests of the major shareholders may not coincide with the interests of the Company or its other shareholders, and the larger shareholders could exercise influence over the Company in a way that does not promote the best interests of the other shareholders.

Disputes

Within the normal course of business, the Group may become involved in disputes, and the Group risks being the subject of civil claims in legal proceedings concerning, among other things, agreements and deficiencies in the sale of products and the delivery of services. In addition, the Group (or its executives, managers, employees, or related parties) may be subject to criminal investigations and regulatory investigations and processes. Disputes, claims, investigations, and legal processes of these types can be time-consuming, disrupt normal operations, involve large sums, adversely affect customer relationships and entail administrative as well as legal sanctions and actions with significant costs. If such disputes, claims, investigations, and legal processes occur and the Group is held liable, there is a risk that the claims will not be fully covered by the Group's insurance coverage. Future disputes, claims, investigations, and processes may adversely affect the Company's operations, financial position, and results. Furthermore, exposure to disputes, fines and other obligations issued by the relevant authorities may, although the financial impact does not have to be significant, adversely affect the Group's reputation.